

Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-02 COME-00 DODE-00 FEA-02 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SPC-03 SS-20 STR-08 TRSE-00 DRC-01 PA-04 PRS-01

USIA-15 /165 W

----- 026102

R 201733Z MAR 74

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 6606

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

LIMITED OFFICIAL USE TEGUCIGALPA 1188

E.O. 11652: N/A

TAGS: ENRG, ETRD, EIND, HO

SUBJECT: OFFICIAL PETROLEUM PRICE CHANGES

REF: TEGUCIGALPA 1099

SUMMARY: GOH ANNOUNCES OFFICIAL REVISIONS IN PETROLEUM PRICES, AT SOMEWHAT REDUCED LEVEL THAN HAD BEEN UNDERSTANDING OF TEXACO. ALSO ANNOUNCES SUBSIDY TO BUS OPERATORS. END SUMMARY.

1. MINISTRY OF ECONOMY HAS ISSUED ACUERDO NO. 95, EFFECTIVE MARCH 16, ESTABLISHING OFFICIAL PETROLEUM PRICE INCREASES, FOLLOWING UPON DISCUSSION WITH TEXACO OFFICIALS EARLIER IN WEEK (SEE REFTEL) AND BASED UPON THE AGREEMENT REACHED WITH TEXACO LAST DECEMBER (ACUERDO 375).

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2. ACUERDO NO. 95 PROVISIONS ARE: (A) MAXIMUM SALES PRICES OF DIESEL, BUNKER "C", KEROSENE, AND LPG REMAIN AT LEVELS

ESTABLISHED IN DECEMBER AGREEMENT; (B) EX-REFINERY PRICE OF SUPREME GASOLINE INCREASES U.S. \$.145 PER GALLON TO NEW PRICE OF U.S. \$.51. EX-REFINERY PRICE OF REGULAR GAS INCREASES U.S. \$.135 TO NEW PRICE OF U.S. \$.475. CORRESPONDING INCREASES ARE ALLOWED TO DISTRIBUTION COMPANIES FOR SALES TO THEIR GAS STATIONS OR DIRECT CUSTOMERS; RETAIL SALES PRICE INCREASE OF ALL GASOLINE BY GAS STATIONS IS \$.15 PER GAL.; (C) INCREASE IN EX-REFINERY PRICE AND DISTRIBUTION COMPANY PRICE OF U.S. \$.0515 PER GAL. FOR KERO/AVJET; (D) REFINERY CAN RETAIN FROM ITS NORMAL OPERATIONS OF SELLING PETROLEUM PRODUCTS IN HONDURAS A TOTAL INCOME EQUIVALENT TO 25 LEMPIRAS (\$12.50) PER BARREL OF CRUDE. ANY AMOUNT OVER THIS LEVEL MUST BE DEPOSITED IN THE CENTRAL BANK ACCOUNT OF THE "FUND FOR STABILIZATION AND DEVELOPMENT OF THE NATIONAL PETROLEUM INDUSTRY"; (E) PUBLIC URBAN BUSES WILL TEMPORARILY RECEIVE SUBSIDY NOT GREATER THAN 30 CENTAVOS (U.S. \$.15) PER GAL. OF GASOLINE AND MIN. OF TRANSPORT WILL ESTABLISH NECESSARY MECHANISMS TO ADMINISTER THIS SUBSIDY, DRAWING UPON RESOURCES OF THE "STABILIZATION FUND."

3. AS RESULT THIS LATEST INCREASE GALLON OF SUPREME GASOLINE IN TEGUCIGALPA NOW COSTS CONSUMER U.S. \$.88, REGULAR GAS U.S. \$.825, AND KERO/AVJET U.S. \$.4876. PRICES VARY SLIGHTLY IN DIFFERENT AREAS OF HONDURAS TAKING INTO ACCOUNT TRANSPORTATION COSTS OF DELIVERY OF PRODUCTS IN QUESTION. EMBASSY POUCHING COPY ACUERDO NO. 95 AS WELL AS ACUERDO NO. 375 OF DEC. 17, 1973, FOR DEPARTMENT'S INFORMATION.

4. COMMENT: AS APPROXIMATE U.S. \$.15 INCREASE IN GASOLINE PRICES SOMEWHAT LESS THAN TEXACO HAD UNDERSTOOD INCREASE WOULD BE (SEE REFTTEL) AFTER ITS DISCUSSION WITH MINECON OFFICIALS, IT IS PROBABLE THAT HIGHER LEVELS GOH DICTATED SMALLER FIGURE. LOCAL TEXACO MANAGER, MCDONALD, IN CONVERSATION WITH ECONOFF DID NOT SEEM GREATLY SURPRISED AND ADDED, "OF COURSE, THE GOVERNMENT DID NOT PREVIOUSLY INFORM US OF THIS CHANGE."

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTS, PRICE DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 20 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974TEGUCI01188
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740059-0833
From: TEGUCIGALPA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740328/aaaaazyte.tel
Line Count: 105
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: TEGUCIGALPA 1099
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 09 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 SEP 2002 by boyleja>; APPROVED <10-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OFFICIAL PETROLEUM PRICE CHANGES
TAGS: ENRG, ETRD, EIND, HO, TEXACO
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005